

Stock No: 1525



Kian Shen Corporation

2023 Annual Shareholders' Meeting Meeting Handbook

June 15, 2023

Venue: China-Motor Training Center, No. 3, Qingnian Rd.,
Yangmei Dist., Taoyuan City, 326013, Taiwan (R.O.C.)

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Kian Shen Corporation

2023 Annual Shareholders' Meeting

Means of convention: Physical meeting

Time: 9:00 a.m., June 15, 2023 (Thursday)

Venue: China-Motor Training Center, No. 3, Qingnian Rd., Yangmei Dist., Taoyuan City, 326013, Taiwan (R.O.C.)

Meeting Agenda

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
 - (I) 2022 Business Report.
 - (II) Audit Committee's Review Report on the 2022 Financial Statements.
 - (III) 2022 distribution of compensation of directors.
 - (IV) 2022 distribution of compensation of employees.
- IV. Matters for Ratification.
 - (I) Adoption of the 2022 Financial Statements. Please proceed to approve.
 - (II) Adoption of the proposal for distribution of 2022 profits. Please proceed to approve.
- V. Discussion
 - (I) Amendment to the Rules of Procedures for Shareholder Meetings.
- VI. Elections
 - (I) By-election of the 12th Independent Directors.
- VII. Other Matters
 - (I) Proposal for Release the Prohibition on Directors from Participation in Competitive Business under Company Act 209.
- VIII. Questions and Motions
- IX. Adjournment

Management Presentation (Company Reports)

(I) 2022 Business Report

Kian Shen Corporation Business Report

I. Operating Highlights

- (1) Since Q2 of 2022, we have gradually overcome the transition impact of the Stage 4 Emissions Standards. The sales volume of the vehicle frame has steadily recovered, and the sales volume of the loading platform has significantly increased as it entered mass production due to the release of new vehicle models and increases with new customers. In addition, the sales of e-bus frames have also benefited from the increase in customer orders. In 2022, the revenue amounted to NT\$1.5 billion, or an 18% YoY increase.
- (2) As the number of COVID-19 cases rose in the first half of the year, our employees had to work overtime to meet delivery demands. However, starting from Q3, our production scale significantly increased, facilitating a favored appropriation of fixed costs such as indirect labor and depreciation expenses. Furthermore, as our profit structure improved, gross profit also increased compared to the same period last year. In spite the implementation of epidemic prevention measures, resulting in an increase operating expenses, our expanded production scale and improved production efficiency allowed us to achieve a significant growth in the 2022 operating income, amounting to NT\$44.75 million.
- (3) The prolonged global chip shortage, supply chain disruptions, and outbreaks of COVID-19 in China, have all caused a decrease in the production of vehicle manufacturers, which has substantially impacted the revenue and profit of our investee companies. The 2022 net income of our investee companies was at NT\$ 275 million, a 24% YoY decrease.
- (4) Overall, our 2022 net income after taxes for the was at NT\$270 million, with earnings per share of NT\$3.68.

II. Future Outlook

- (1) Uncertainties such as the continued Russo-Ukrainian War, rising energy and raw material prices, chip shortages, and inflation and interest hikes, continue to worsen the global economic prospect and weaken Taiwan's export. The Directorate-General of Budget, Accounting and Statistics predicted Taiwan's 2023 economic growth rate at 2.12%. Fortunately, the epidemic in Taiwan has subsided, the government has lifted many of the COVID-19 prevention measures, and consumption demand in the private sector has recovered. Thus,

with the increase in the supply of new cars, we are expecting a small recovery in Taiwan's 2023 vehicle sales.

- (2) In terms of sales, the Company maintains its focus on maintaining stable supply of existing products, while engaging in new vehicle model development and mass production. In addition, we will also emphasize on our advantages in the R&D and sales of e-bus frames, to actively develop new customers and obtain new orders, so as to increase our revenue.
- (3) Last year, China's policy of halving sales tax on fuel vehicles stimulated the sales of vehicles. However, it will be harder to further increase the sales of vehicles this year. With the emergence of new energy vehicles, we are expecting even fiercer price competition. In the face of these challenges, our investee companies are in line with their customers and concentrating their resources to increase the production of the best-selling models. We also set cost reduction goals and expense control goals to maintain the investee companies operating performances.

Chairman:
Chao-Wen Chen



Managerial Officer:
Chiung-Chih Tseng



Principal Accounting Officer:
Ya-Ling Chang



(II) Audit Committee's Review Report on the 2022 Financial Statements

Kian Shen Corporation Audit Committee's Review Report

The 2022 standalone and consolidated financial statements have been audited by auditors Lilac Shue and Aaron Yang of Deloitte & Touché. The reports, together with the business report and proposal for distribution of profits, have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

2023 Annual Shareholders' Meeting

Kian Shen Corporation

Convener of the Auditing Committee: Chi-Ching Chen

March 30, 2023

(III) 2022 distribution of compensation of directors.

- I. Pursuant to Article 20 of the Company's Articles of Incorporation, the Company shall appropriate no higher than 1% of its profit, if any, as remuneration to Directors.
- II. The Company's 2022 net income before tax before deduction of remuneration to employees and Directors is NT\$343,191,033. The Company proposes to distribute NT\$1,717,000 (0.5%) as remuneration to Directors in the form of cash, which is the same as the expected amount as in 2022. For the breakdown of remuneration to individual directors, please refer to "Remuneration to Directors and Independent Directors" on the following page.
- III. The aforementioned distribution of remuneration to Directors has been resolved and passed by the 3rd remuneration committee meeting of the 5th committee and the 5th board meeting of the 12th board of directors.

(IV) 2022 distribution of remuneration to employees

- I. Pursuant to Article 20 of the Company's Articles of Incorporation, the Company shall appropriate no less than 0.1% of its profit, if any, as remuneration to employees.
- II. The Company's 2022 net income before tax before deduction of remuneration to employees and Directors is NT\$343,191,033. The Company proposes to distribute NT\$2,344,270 (0.68%) as remuneration to employees in the form of cash. The difference of NT\$138,620 from the expected amount in 2022 will be adjusted to the 2023 income.
- III. In addition to the aforementioned remuneration to employees, the Company distributes incentives such as the three-festival-bonuses, year-end bonuses, and operating performance bonuses based on factors including the Company's operating performance and individual's performance so as to encourage the employees to work together towards one common goal with the Company and its shareholders.
- IV. The aforementioned distribution of remuneration to employees has been resolved and passed by the 3rd remuneration committee meeting of the 5th committee and the 5th board meeting of the 12th board of directors.

Remuneration to Directors and Independent Directors

Unit: NT\$ thousand

Position	Name	Directors' remuneration				Sum of A, B, C, and D as a percentage of net income after tax		Remuneration to directors holding employee positions concurrently				Sum of A, B, C, D, E, F and G and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company		
		Compensation (A)		Severance pay and pension (B)		Remuneration to Directors (C)		Fees for services rendered (D)		Salaries, bonuses and special allowances (E)	Retirement pension (F)	Remuneration to employees (G)			The Company	All companies in financial statements
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements			The Company	All companies in financial statements			
Chairman (Note 1)	Chao-Wen Chen	656	-	-	656	96	96	572	96	-	-	-	-	-	-	8,933
Director (Note 1)	Chiung-Chih Tseng	-	-	-	572	96	96	572	2,450	-	-	49	49	-	-	1,342
Director (Note 2)	Wen-Chih Chien	-	-	-	-	96	96	-	-	-	-	-	-	-	-	0
Director (Note 2)	Kun-Sheng Lan	-	-	-	687	96	96	687	-	-	-	-	-	-	-	0
Director (Note 2, 3)	Naoki Kobayashi	-	-	-	687	88	88	687	-	-	-	-	-	-	-	0
Director (Note 3)	Takayuki Ogano	-	-	-	8	8	8	-	-	-	-	-	-	-	-	0
Director (Note 4)	Hsin-Cheng Tseng	-	-	-	458	96	96	458	-	-	-	-	-	-	-	4,752
Director (Note 4)	Hung-Ching Yang	-	-	-	458	96	96	458	-	-	-	-	-	-	-	4,267
Independent director	Wei-Ching Lu	-	-	-	-	540	540	-	540	-	-	-	-	-	-	1,200
Independent director	Te-Chang Yeh	-	-	-	-	540	540	-	540	-	-	-	-	-	-	0
Independent director (Note 5)	Chi-Ching Chen	-	-	-	-	310	310	-	310	-	-	-	-	-	-	1,200

Note: For directors who are representatives of juristic persons, remuneration is paid out to the juristic person but not the director as an individual.

(1) Chairman Chao-Wen Chen and Director Chiung-Chih Tseng are representatives of China Motor Corporation.

(2) Directors Wen-Chih Chien, Kun-Sheng Lan, and Naoki Kobayashi are representatives of Kouzui Motors Ltd.

(3) Takayuki Ogano was discharged from the position of representative of Kouzui Motors Ltd. on February 1, 2022 and succeeded by Naoki Kobayashi.

(4) Directors Hsin-Cheng Tseng and Hung-Ching Yang are representatives of Yulon-Administered Enterprises Co., Ltd.

(5) Chi-Ching Chen assumed the position as independent director on July 1, 2022.

(6) The remuneration to independent directors is determined based on the responsibilities, risks participation, and other factors where the independent directors serving as committee members while taking into consideration the remuneration level of peer companies in the same industry, and other listed companies, and in accordance with the laws and regulations related to the Company Act, after approval at the board meetings.

Matters for Ratification.

Motion 1:

Proposed by the Board of Directors

Subject: Adoption of the 2022 Financial Statements. Please proceed to approve.

Description:

- I. The Company's 2022 standalone and consolidated financial statements have been audited by auditors Lilac Shue and Aaron Yang of Deloitte & Touché. The financial statements, together with the business report, have been reviewed and determined to be correct and accurate by the Audit Committee. We hereby submit the audit report.
- II. For 2022 Business Report and Financial Statements, please refer to p.2-3 and p.8-23.
- III. Please proceed to approve.

Resolution:

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Kian Shen Corporation

Opinion

We have audited the accompanying consolidated financial statements of Kian Shen Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Sales Revenue

The Group's sales revenue is the main indicator of financial and business performance evaluated by investors and management. When considering revenue recognition, there is the possibility of an inherently high risk of fraud, and the management may be pressured to achieve the financial target; therefore, we identified the risk of the occurrence of sales revenue a key audit matter in 2022.

Our audit procedures related to the abovementioned key audit matter include evaluating the design of relevant internal control related to the sales revenue and the effectiveness of the implementation of the internal control; sampling from details of the sales revenue, then tracing to customer statements, shipping documents and collection records to ensure the occurrence of the sales revenue.

Other Matter

We have also audited the parent company only financial statements of Kian Shen Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shio-Ming Shue and Chi-Sheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,350,072	24	\$ 777,255	14
Financial assets at fair value through profit or loss - current (Notes 7 and 25)	15,004	-	20,002	-
Financial assets at amortized cost - current (Note 8)	-	-	8,724	-
Notes and accounts receivable, net (Notes 9 and 19)	39,131	1	35,025	1
Trade receivables from related parties (Notes 9, 19 and 26)	256,865	4	151,103	3
Inventories (Note 10)	330,245	6	212,222	4
Prepayments	5,970	-	10,662	-
Other current assets	96,103	2	88,886	2
Total current assets	2,093,390	37	1,303,879	24
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 12)	2,950,259	53	3,479,083	66
Property, plant and equipment (Note 13)	549,636	10	520,733	10
Right-of-use assets (Note 14)	203	-	971	-
Intangible assets	2,030	-	3,448	-
Deferred tax assets (Note 21)	2,289	-	4,142	-
Long-term prepayments	10,071	-	11,157	-
Refundable deposits	150	-	471	-
Net defined benefit assets (Note 17)	1,345	-	-	-
Total non-current assets	3,515,983	63	4,020,005	76
TOTAL	\$ 5,609,373	100	\$ 5,323,884	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 70,000	1	\$ 80,000	2
Contract liabilities - current (Notes 19 and 26)	64,498	1	49,320	1
Notes and accounts payable (Note 16)	281,472	5	182,441	3
Trade payables to related parties (Note 26)	92,257	2	74,548	1
Other payables	75,281	1	62,974	1
Current tax liabilities (Note 21)	49,735	1	32,348	1
Lease liabilities - current (Note 14)	206	-	776	-
Long-term loans due within one year (Note 15)	17,187	-	-	-
Other current liabilities	19,304	1	3,711	-
Total current liabilities	669,940	12	486,118	9
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 15)	51,563	1	68,750	2
Deferred tax liabilities (Note 21)	267,428	5	320,131	6
Lease liabilities - non-current (Note 14)	-	-	206	-
Net defined benefit liabilities (Note 17)	-	-	9,458	-
Guarantee deposits	631	-	300	-
Total non-current liabilities	319,622	6	398,845	8
Total liabilities	989,562	18	884,963	17
EQUITY (Note 18)				
Ordinary shares	734,001	13	734,001	14
Capital surplus - donated	1,251	-	1,251	-
Retained earnings				
Legal reserve	650,273	11	621,152	12
Special reserve	397,006	7	382,220	7
Unappropriated earnings	3,177,804	57	3,097,303	58
Total retained earnings	4,225,083	75	4,100,675	77
Exchange differences on translating the financial statements of foreign operations	(340,524)	(6)	(397,006)	(8)
Total equity	4,619,811	82	4,438,921	83
TOTAL	\$ 5,609,373	100	\$ 5,323,884	100

The accompanying notes are an integral part of the consolidated financial statements.

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 19 and 26)				
Net sales	\$ 1,487,347	99	\$ 1,264,880	99
Other operating revenue	<u>12,918</u>	<u>1</u>	<u>10,728</u>	<u>1</u>
Total operating revenue	1,500,265	100	1,275,608	100
OPERATING COSTS (Notes 10, 17, 20 and 26)	<u>1,352,764</u>	<u>90</u>	<u>1,171,714</u>	<u>92</u>
GROSS PROFIT	<u>147,501</u>	<u>10</u>	<u>103,894</u>	<u>8</u>
OPERATING EXPENSES (Notes 17, 20 and 26)				
Selling and marketing expenses	3,187	-	2,673	-
General and administrative expenses	76,177	5	63,256	5
Research and development expenses	<u>23,386</u>	<u>2</u>	<u>23,455</u>	<u>2</u>
Total operating expenses	<u>102,750</u>	<u>7</u>	<u>89,384</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>44,751</u>	<u>3</u>	<u>14,510</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	16,171	1	9,452	1
Other income	1,489	-	1,035	-
Other gains or losses (Note 20)	3,734	-	(9,441)	(1)
Financial costs (Note 20)	(1,561)	-	(1,088)	-
Share of profit or loss of joint ventures accounted for using equity method (Note 12)	<u>274,546</u>	<u>19</u>	<u>361,608</u>	<u>28</u>
Total non-operating income and expenses	<u>294,379</u>	<u>20</u>	<u>361,566</u>	<u>28</u>
PROFIT BEFORE INCOME TAX	339,130	23	376,076	29
INCOME TAX EXPENSE (Note 21)	<u>(69,312)</u>	<u>(5)</u>	<u>(69,309)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>269,818</u>	<u>18</u>	<u>306,767</u>	<u>24</u>

(Continued)

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 10,912	-	\$ (2,936)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,182)	-	587	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	3,382	-	(1,501)	-
Share of the other comprehensive income (loss) of joint ventures accounted for using the equity method	<u>53,100</u>	<u>4</u>	<u>(26,492)</u>	<u>(2)</u>
Comprehensive income (loss) for the year	<u>65,212</u>	<u>4</u>	<u>(30,342)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 335,030</u>	<u>22</u>	<u>\$ 276,425</u>	<u>22</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	<u>\$ 269,818</u>	<u>18</u>	<u>\$ 306,767</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	<u>\$ 335,030</u>	<u>22</u>	<u>\$ 276,425</u>	<u>22</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.68</u>		<u>\$ 4.18</u>	
Diluted	<u>\$ 3.67</u>		<u>\$ 4.18</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars Unless Stated Otherwise)

	Equity Attributable to Owners of the Corporation										
	Ordinary Shares		Retained Earnings				Unappropriated Earnings		Other Equity		Total Equity
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity		
BALANCE AT JANUARY 1, 2021	73,400	\$ 734,001	\$ 1,251	\$ 588,585	\$ 418,586	\$ 2,963,773	\$ (13,207)	\$ (369,013)	\$ 4,323,976		
Appropriation of the 2020 earnings				32,567		(32,567)					
Legal reserve						(161,480)			(161,480)		
Cash dividends distributed by the Corporation - \$2.2 per share					(36,366)	36,366					
Reversal of special reserve				32,567	(36,366)	(157,681)			(161,480)		
Net profit for the year ended December 31, 2021						306,767			306,767		
Other comprehensive loss for the year ended December 31, 2021, net of income tax						(2,349)		(27,993)	(30,342)		
Total comprehensive income for the year ended December 31, 2021						304,418		(27,993)	276,425		
Disposal of the investments in equity instruments as at fair value through other comprehensive income by associates						(13,207)	13,207				
BALANCE AT DECEMBER 31, 2021	73,400	734,001	1,251	621,152	382,220	3,097,303		(397,006)	4,438,921		
Appropriation of the 2021 earnings				29,121		(29,121)					
Legal reserve						(14,786)					
Special reserve					14,786	(154,140)			(154,140)		
Cash dividends distributed by the Corporation - \$2.1 per share						(198,047)			(154,140)		
Net profit for the year ended December 31, 2022						269,818			269,818		
Other comprehensive income for the year ended December 31, 2022, net of income tax						8,730		56,482	65,212		
Total comprehensive income for the year ended December 31, 2022						278,548		56,482	335,030		
BALANCE AT DECEMBER 31, 2022	73,400	\$ 734,001	\$ 1,251	\$ 650,273	\$ 397,006	\$ 3,177,804		\$ (340,524)	\$ 4,619,811		

The accompanying notes are an integral part of the consolidated financial statements.

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 339,130	\$ 376,076
Adjustments for:		
Depreciation expense	52,436	46,286
Amortization expense	2,411	1,787
Net gain on fair value change of financial assets at fair value through profit or loss	(154)	(43)
Interest expense	1,554	1,062
Interest income	(16,171)	(9,452)
Share of profit of joint ventures accounted for using the equity method	(274,546)	(361,608)
(Gain) loss on disposal of property, plant and equipment	(9)	1,414
Write-down of inventories and loss of inactive stock	500	2,000
Unrealized loss on foreign currency exchange	153	-
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	5,152	(19,959)
Notes and accounts receivable	(4,106)	(21,511)
Trade receivables from related parties	(105,902)	72,990
Inventories	(118,523)	(17,753)
Prepayments	4,692	(3,350)
Other current assets	728	(912)
Notes and accounts payable	99,018	(14,363)
Trade payables to related parties	17,989	(1,557)
Other payables	12,273	(9,522)
Contract liabilities	15,178	19,054
Other current liabilities	14,949	1,433
Net defined benefit plans	109	(7,505)
Cash generated from operations	46,861	54,567
Interest paid	(1,513)	(1,069)
Income tax paid	(112,015)	(54,530)
Net cash used in operating activities	<u>(66,667)</u>	<u>(1,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in financial assets at amortized cost	8,724	41,293
Decrease (increase) in long-term prepayments	515	(36,872)
Acquisition of property, plant and equipment	(80,247)	(24,384)
Proceeds from disposal of property, plant and equipment	256	374
Acquisition of intangible assets	(993)	(3,367)
Decrease in other financial assets	-	261,137
Decrease in refundable deposits	321	-
Interest received	15,284	9,709
Dividends from joint ventures received	856,469	369,200
Net cash generated from investing activities	<u>800,329</u>	<u>617,090</u>

(Continued)

KIAN SHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	\$ (10,000)	\$ (20,000)
Decrease in short-term bills payable	-	(40,000)
Repayments from long-term borrowings	-	(25,000)
Increase (decrease) in guarantee deposits	331	(50)
Repayment of the principal portion of lease liabilities	(784)	(877)
Cash dividends paid	<u>(154,140)</u>	<u>(161,480)</u>
Net cash used in financing activities	<u>(164,593)</u>	<u>(247,407)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>3,748</u>	<u>101</u>
INCREASE IN CASH AND CASH EQUIVALENTS	572,817	368,752
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>777,255</u>	<u>408,503</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,350,072</u>	<u>\$ 777,255</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Kian Shen Corporation

Opinion

We have audited the accompanying financial statements of Kian Shen Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2022 is stated as follows:

Sales Revenue

The Corporation's sales revenue is the main indicator of financial and business performance evaluated by investors and management. When considering revenue recognition, there is the possibility of an inherently high risk of fraud, and the management may be pressured to achieve the financial target; therefore, we identified the risk of the occurrence of sales revenue a key audit matter in 2022.

Our audit procedures related to the abovementioned key audit matter include evaluating the design of relevant internal control related to the sales revenue and the effectiveness of the implementation of the internal control; sampling from details of the sales revenue, then tracing to customer statements, shipping documents and collection records to ensure the occurrence of the sales revenue.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the audit committee) are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shio-Ming Shue and Chi-Sheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

KIAN SHEN CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 99,926	2	\$ 75,881	2
Financial assets at fair value through profit or loss - current (Notes 7 and 24)	15,004	-	20,002	-
Financial assets at amortized cost - current (Note 8)	-	-	8,724	-
Notes and accounts receivable, net (Notes 9 and 18)	39,131	1	35,025	1
Trade receivables from related parties (Notes 9, 18 and 25)	345,025	6	151,103	3
Inventories (Note 10)	330,245	6	212,222	4
Prepayments	5,970	-	10,662	-
Other current assets	2,240	-	2,326	-
Total current assets	<u>837,541</u>	<u>15</u>	<u>515,945</u>	<u>10</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 11)	4,205,624	75	4,266,538	80
Property, plant and equipment (Note 12)	549,636	10	520,733	10
Right-of-use assets (Note 13)	203	-	971	-
Intangible assets	2,030	-	3,448	-
Deferred tax assets (Note 20)	2,289	-	4,142	-
Long-term prepayments	10,071	-	11,157	-
Refundable deposits	150	-	471	-
Net defined benefit assets (Note 16)	1,345	-	-	-
Total non-current assets	<u>4,771,348</u>	<u>85</u>	<u>4,807,460</u>	<u>90</u>
TOTAL	<u>\$ 5,608,889</u>	<u>100</u>	<u>\$ 5,323,405</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 70,000	1	\$ 80,000	2
Contract liabilities - current (Notes 18 and 25)	64,498	1	49,320	1
Notes and accounts payable (Note 16)	281,472	5	182,441	3
Trade payables to related parties (Note 25)	92,257	2	74,548	1
Other payables	75,281	2	62,974	1
Current tax liabilities (Note 20)	49,735	1	32,348	1
Lease liabilities - current (Note 13)	206	-	776	-
Long-term loans due within one year (Note 15)	17,187	-	-	-
Other current liabilities	18,820	-	3,232	-
Total current liabilities	<u>669,456</u>	<u>12</u>	<u>485,639</u>	<u>9</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 15)	51,563	1	68,750	2
Deferred tax liabilities (Note 20)	267,428	5	320,131	6
Lease liabilities - non-current (Note 13)	-	-	206	-
Net defined benefit liabilities (Note 16)	-	-	9,458	-
Guarantee deposits	631	-	300	-
Total non-current liabilities	<u>319,622</u>	<u>6</u>	<u>398,845</u>	<u>8</u>
Total liabilities	<u>989,078</u>	<u>18</u>	<u>884,484</u>	<u>17</u>
EQUITY (Note 17)				
Ordinary shares	734,001	13	734,001	14
Capital surplus - donated	1,251	-	1,251	-
Retained earnings				
Legal reserve	650,273	11	621,152	12
Special reserve	397,006	7	382,220	7
Unappropriated earnings	3,177,804	57	3,097,303	58
Total retained earnings	<u>4,225,083</u>	<u>75</u>	<u>4,100,675</u>	<u>77</u>
Exchange differences on translating the financial statements of foreign operations	(340,524)	(6)	(397,006)	(8)
Total equity	<u>4,619,811</u>	<u>82</u>	<u>4,438,921</u>	<u>83</u>
TOTAL	<u>\$ 5,608,889</u>	<u>100</u>	<u>\$ 5,323,405</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

KIAN SHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 19 and 25)				
Net sales	\$ 1,487,347	99	\$ 1,264,880	99
Other operating revenue	<u>12,918</u>	<u>1</u>	<u>10,728</u>	<u>1</u>
Total operating revenue	1,500,265	100	1,275,608	100
OPERATING COSTS (Notes 10, 17, 20 and 25)	<u>1,352,764</u>	<u>90</u>	<u>1,171,714</u>	<u>92</u>
GROSS PROFIT	<u>147,501</u>	<u>10</u>	<u>103,894</u>	<u>8</u>
OPERATING EXPENSES (Notes 17, 20 and 25)				
Selling and marketing expenses	3,187	-	2,673	-
General and administrative expenses	75,880	5	62,966	5
Research and development expenses	<u>23,386</u>	<u>2</u>	<u>23,455</u>	<u>2</u>
Total operating expenses	<u>102,453</u>	<u>7</u>	<u>89,094</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>45,048</u>	<u>3</u>	<u>14,800</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	2,487	-	1,272	-
Other income	1,489	-	1,035	-
Other gains or losses (Note 20)	3,698	-	(7,191)	(1)
Financial costs (Note 20)	(1,561)	-	(1,088)	-
Share of profit of subsidiaries (Note 11)	<u>245,687</u>	<u>17</u>	<u>367,248</u>	<u>29</u>
Total non-operating income and expenses	<u>251,800</u>	<u>17</u>	<u>361,276</u>	<u>28</u>
PROFIT BEFORE INCOME TAX	296,848	20	376,076	29
INCOME TAX EXPENSE (Note 21)	<u>(27,030)</u>	<u>(2)</u>	<u>(69,309)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>269,818</u>	<u>18</u>	<u>306,767</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	10,912	-	(2,936)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,182)	-	587	-

(Continued)

KIAN SHEN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries, accounted for using the equity method	\$ 56,482	4	\$ (27,993)	(2)
Other comprehensive income (loss) for the year (net of income tax)	<u>65,212</u>	<u>4</u>	<u>(30,342)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 335,030</u>	<u>22</u>	<u>\$ 276,425</u>	<u>22</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.68</u>		<u>\$ 4.18</u>	
Diluted	<u>\$ 3.67</u>		<u>\$ 4.18</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

KIAN SHEN CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Ordinary Shares		Retained Earnings				Other Equity			Total Equity
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations		
BALANCE AT JANUARY 1, 2021	73,400	\$ 734,001	\$ 1,251	\$ 588,585	\$ 418,586	\$ 2,963,773	\$ (13,207)	\$ (369,013)	\$ 4,323,976	
Appropriation of the 2020 earnings	-	-	-	32,567	-	(32,567)	-	-	-	
Legal reserve	-	-	-	-	-	(161,480)	-	-	(161,480)	
Cash dividends distributed by the Corporation - \$2.2 per share	-	-	-	-	(36,366)	36,366	-	-	-	
Reversal of special reserve	-	-	-	-	(36,366)	(157,681)	-	-	(161,480)	
Net profit for the year ended December 31, 2021	-	-	-	-	-	306,767	-	-	306,767	
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,349)	-	(27,993)	(30,342)	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	304,418	-	(27,993)	276,425	
Disposal of the investments in equity instruments as at fair value through other comprehensive income by associates	-	-	-	-	-	(13,207)	13,207	-	-	
BALANCE AT DECEMBER 31, 2021	73,400	\$ 734,001	\$ 1,251	\$ 621,152	\$ 382,220	\$ 3,097,303	\$ -	\$ (397,006)	\$ 4,438,921	
Appropriation of the 2021 earnings	-	-	-	29,121	-	(29,121)	-	-	-	
Legal reserve	-	-	-	-	-	(14,786)	-	-	-	
Special reserve	-	-	-	14,786	-	(154,140)	-	-	(154,140)	
Cash dividends distributed by the Corporation - \$2.1 per share	-	-	-	-	-	(198,047)	-	-	(154,140)	
Net profit for the year ended December 31, 2022	-	-	-	29,121	14,786	(198,047)	-	-	(154,140)	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	269,818	-	-	269,818	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	8,730	-	56,482	65,212	
BALANCE AT DECEMBER 31, 2022	73,400	\$ 734,001	\$ 1,251	\$ 650,273	\$ 397,006	\$ 3,177,804	\$ -	\$ (340,524)	\$ 4,619,811	

The accompanying notes are an integral part of the financial statements.

KIAN SHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 296,848	\$ 376,076
Adjustments for:		
Depreciation expense	52,436	46,286
Amortization expense	2,411	1,787
Net gain on fair value change of financial assets at fair value through profit or loss	(154)	(43)
Interest expense	1,554	1,062
Interest income	(2,487)	(1,272)
Share of profit of subsidiaries	(245,687)	(367,248)
(Gain) loss on disposal of property, plant and equipment	(9)	1,414
Write-down of inventories and loss of inactive stock	500	2,000
Unrealized loss on foreign currency exchange, net	153	-
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	5,152	(19,959)
Notes and accounts receivable	(4,106)	(21,511)
Trade receivables from related parties	(106,042)	72,990
Inventories	(118,523)	(17,753)
Prepayments	4,692	(3,351)
Other current assets	86	747
Prepayments	15,178	19,054
Notes and accounts payable	99,018	(14,363)
Trade payables to related parties	17,709	(1,557)
Other payables	12,259	(9,562)
Other current liabilities	15,588	(191)
Net defined benefit plans	109	(7,505)
Cash generated from operations	46,685	57,101
Interest paid	(1,497)	(1,029)
Income tax paid	(26,368)	(17,610)
Net cash generated from operating activities	<u>18,820</u>	<u>38,462</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in financial assets at amortized cost	8,724	41,293
Decrease (increase) in long-term prepayments	515	(36,872)
Acquisition of property, plant and equipment	(80,247)	(24,384)
Proceeds from disposal of property, plant and equipment	256	374
Decrease in refundable deposits	321	-
Acquisition of intangible assets	(993)	(3,367)
Decrease in other financial assets	-	26,006
Interest received	2,487	1,257
Dividends received	<u>238,755</u>	<u>256,729</u>
Net cash generated from investing activities	<u>169,818</u>	<u>261,036</u>

(Continued)

KIAN SHEN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	\$ (10,000)	\$ (20,000)
Decrease in short-term bills	-	(40,000)
Repayments from long-term borrowings	-	(25,000)
Increase (decrease) in guarantee deposits	331	(50)
Repayment of the principal portion of lease liabilities	(784)	(877)
Cash dividends paid	<u>(154,140)</u>	<u>(161,480)</u>
Net cash used in financing activities	<u>(164,593)</u>	<u>(247,407)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	24,045	52,091
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>75,881</u>	<u>23,790</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 99,926</u>	<u>\$ 75,881</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Motion 2:**Proposed by the Board of Directors**

Subject: Adoption of the proposal for distribution of 2022 profits

Description:

- I. The distribution of 2022 profits proposed pursuant to Article 20 of the Company's Articles of Incorporation is as follows:

2022 PROFIT DISTRIBUTION TABLE (PROPOSED)	
	Unit: NT\$
Beginning unappropriated retained earnings	\$2,899,255,716
Net profit after tax	269,817,732
Remeasurement of the defined benefit plan recognized in retained earnings	8,729,403
Distributable net profit	3,177,802,851
Appropriation of legal reserve	(27,854,714)
Reversal of special reserves	56,482,436
Cash dividend to shareholders (NT\$2.1/share)	(154,140,284)
Unappropriated retained earnings	<u>\$3,052,290,289</u>

- II. According to the aforementioned distribution table, the Company will distribute cash dividends at NT\$2.1 per share, ex-dividend date on July 25, 2023, and the dividend distribution will be rounded down to the nearest NT\$. The fractional amounts will be recognized as other income.
- III. The amount of the aforementioned profit distribution shall be appropriated from the 2022 undistributed retained earnings.
- IV. Please proceed to approve.

Resolution:

Discussion

Motion 1: Proposed by the Board of Directors

Subject: Amendment to the Rules of Procedure for Shareholder Meetings. Please proceed to resolve.

Description:

- I. Amended in accordance with the “Company Limited Rules of Procedure for Shareholders Meetings Submit” issued by the TWSE.
- II. For comparison table of the before and after amendments of the “Rules of Procedure for Shareholder Meetings”, please refer to [Appendix 5] on p. 53.
- III. Please proceed to resolve.

Resolution:

Elections

Motion 1:

Proposed by the Board of Directors

Subject: By-election of the 12th Independent Directors

Description:

- I. Independent Directors Chi-Ching Chen and Wei-Ching Lu proposed to resign as independent directors on March 31, 2023 due to personal reasons. It is proposed to by-elect 2 seats of independent directors at the 2023 annual shareholders' meeting. The term of office of the current (12th) board of directors is until June 30, 2025. The newly elected independent directors will assume the positions as audit committee members and remuneration committee members.
- II. Elections of the Company's directors and independent directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The independent director candidate list is as follow:

Candidates	Education Background and Work Experience
Hsuan Wang	PhD in Accounting, National University of Taiwan Passed the Senior Professional and Technical Examinations for Certified Public Accountants Independent Director of Highpoint Service Network Corporation Independent Director of AP Memory Technology Corporation Independent Director of Advanced Lithium Electrochemistry Co., Ltd. Assistant Professor of College of Management and Chairman of Internal Audit Committee, Yuan Ze University
Yung-An Lo	Bachelor of Laws, Chinese Culture University Passed the Senior Examination for Professional and Technical Personnel for Attorneys Chairman of Yung Attorney-At-Law Chairman of Congrongzhichan Co., Ltd. Prosecutor of Taiwan Taichung District Prosecutors Office

- III. For the Company's "Regulations Governing the Election of Directors" please refer to [Appendix 4] on p. 49-52.
- IV. Please elect new independent directors.

Other Matters

Motion 1:

Proposed by the Board of Directors

Subject: Proposal for Release the Prohibition on Directors from Participation in Competitive Business under Company Act 209. Please proceed to resolve.

Description:

- I. Handled in accordance with Article 209 of the Company Act.
- II. Due to possible practical need for holding positions as a director (including independent director) at the Company and a subsidiary within the same industry as the Company or other company in consideration of positive effects on overall operating performance, full utilization of talents and the Company's long-term development, there is no need for prohibition on directors from participation in competitive businesses.
- III. We hereby propose to release the 12th board of directors from their non-compete clauses.
- IV. Please proceed to resolve.

Resolution:

Questions and Motions

[Appendix 1]

Shareholding of the Directors

In accordance with Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director Share Ownership Ratios at Public Companies, the total shareholding of the all of the Company's Directors shall be no less than 8%, or 5,872,010 shares. As of April 17, 2023, the total shareholding of the all of the Company's Directors amounted to 56,390,678 shares (76.82%), which is in compliance with the requirement. The detail of the shareholding is as follows:

Position	Name	Number of shares held	Percentage of shareholding	Remarks
Chairman	Chao-Wen Chen	32,201,367	43.87%	Representatives of China Motor Corporation
Director	Chiung-Chih Tseng			
Director	Wen-Chih Chien	24,178,711	32.94%	Representatives of Kouzui Motors Ltd.
Director	Kun-Sheng Lan			
Director	Naoki Kobayashi			
Director	Hsin-Cheng Tseng	10,600	0.01%	Representatives of Yulon-Administered Enterprises Co., Ltd.
Director	Hung-Ching Yang			
Independent director	Te-Chang Yeh	-	-	
Total shareholding of the all Directors		56,390,678	76.82%	

Kian Shen Corporation

Rules of Procedure for Shareholder Meetings

Formulated on June 27, 1998.

Amended on June 20, 2002.

Amended on June 25, 2015.

Amended on June 18, 2020.

Amended on July 29, 2021.

Amended on June 21, 2022.

1. The Company's shareholders' meetings shall be handled in accordance with the Rules of Procedures for Shareholder Meetings

2. Shareholders and their proxies shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Shareholders (or proxies) attending the shareholders' meetings shall hand in sign-in cards and check-in their shareholder's number on the virtual meeting platform in lieu of signing in, from which, the number of shares in attendance shall be calculated.

Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.

3. A shareholders meeting shall, unless otherwise provided for in other law or regulation, be convened by the Board of Directors.

Alterations to the Company's convening of shareholders' meetings shall be resolved by the Board of Directors no later than the mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the reporting website specified by the Financial Supervisory Commission no later than 30 days before the date of a regular shareholders meeting and no later than 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and send them to the reporting website specified by the Financial Supervisory Commission no later than 21 days before the date of a regular shareholders' meeting and no later than 15 days before the date of a special shareholders' meeting. At least 15 days before the date of the shareholders' meeting, the Company shall also prepare the shareholders' meeting handbook and supplementary meeting materials and make them available for review by shareholders at any time. The shareholders' meeting

handbook and supplementary meeting materials shall also be displayed at the Company premises and the professional shareholder services agent designated thereby.

The aforementioned shareholders' meeting handbook and supplementary meeting materials shall be distributed to the shareholders for their reference on the date of shareholders' meeting by the following means:

- (1) For physical meetings, the materials shall be distributed on-site at the meeting venue.
- (2) For physical meetings assisted by visual communication network, the materials shall be distributed on-site at the meeting venue and uploaded to the virtual meeting platform.
- (3) For meetings held by visual communication network, the materials shall be uploaded to the visual meeting platform.

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the meeting notice to be given to shareholders and public announcement; and the notice may, as an alternative, be given by electronic means, after obtaining a prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions. Essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where the election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. However, proposals urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. The Board of Directors may exclude from discussion proposals presented by shareholders that fall within

the scope of Article 172-1 Paragraph 4 of the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to three hundred words; any proposal containing more than 300 words shall not be included in the meeting agenda. A shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

4. A shareholder may appoint a proxy to attend a shareholders' meeting on their behalf by providing a proxy form printed by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only issue one proxy form and appoint one proxy only, and shall serve such proxy form to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more proxy forms are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous proxy form is made. After a proxy form has been delivered to the Company, in case the shareholder issuing the said proxy form intends to attend the shareholders' meeting in person or to exercise their voting power in writing or by electronic means, a proxy rescission notice shall be filed with the Company in writing no later than two days prior to the date of the shareholders' meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

After a proxy form has been delivered to the Company, in case the shareholder issuing the said proxy form intends to attend the shareholders' meeting via visual communication network, a proxy rescission notice shall be filed with the Company in writing two days prior to the date of the shareholders' meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

- 4-1. (Principles determining the time and venue of a shareholders' meeting)

A shareholders' meeting shall be held in the place where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and a shareholders' meeting shall

commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.

When the Company convenes shareholders' meetings via visual communication network, the aforementioned requirements on meeting venues are not applicable.

The Company may designate entrusted attorneys, CPAs, or other relevant personnel to be present at a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification badges or arm bands.

5. The chair of the meeting shall call the meeting to order at the scheduled time. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chair may announce a postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third or more of the total issued shares after two postponements, a tentative resolution may be made in accordance with paragraph one of Article 175 of the Company Act by an affirmative vote of a majority of the voting rights represented by the attending shareholders. For meetings held via visual communication network, if shareholders intend to participate via visual communication network, they shall sign up again with the Company in accordance with Article 10.

In the event that the number of shares represented by attending shareholders reaches more than half of the total issued shares before that same meeting is adjourned, the chair may resubmit the tentative resolution(s) made at the meeting for a vote in accordance with Article 174 of the Company Act.

6. If a shareholders' meeting is convened by the Board of Directors, the chairman of the board of directors shall act as the chair of the meeting. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there are no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors. For a shareholders' meeting convened by any other person, other than the board of director, having the convening right, they shall act as the chair of that meeting, provided, however, that if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.
7. If a shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. The motions (including extempore motions or amended motions) shall be passed one at a time, and the meeting shall proceed in the order set forth in the agenda, which may not be changed without a resolution at the shareholders' meeting. The provisions of the

preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including extemporary motion) unless duly resolved at the shareholders' meeting.

During the session of a shareholders' meeting, if the chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chair may be elected by a resolution to be adopted by an affirmative vote of a majority of the voting rights represented by the attending shareholders. to continue the proceedings of the meeting.

After the meeting is adjourned, shareholders shall not elect another chair to continue the meeting at the same place or at any other place.

When necessary, the chair may announce the discussion closed, call for a vote, and allow sufficient time for voting.

8. (Documentation of a shareholders' meeting by audio or video)

The Company shall make an uninterrupted audio and video recording of the registration procedure, the entire proceedings of the shareholders' meeting, and the voting, and vote counting procedures, starting from the shareholder attendance registration.

The recorded materials mentioned in the preceding paragraph shall be kept for at least 1 year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

When a shareholders' meeting is convened via visual communication network, the Company shall keep records of shareholder registration, sign-up, sign-in, questions raised, votes cast and results of votes counted by the Company, and make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting.

The aforementioned audio and video recordings shall be kept for the duration of the existence of the Company, and kept with the meeting agency who is entrusted to make such recording.

When a shareholders' meeting is convened via visual communication network, the Company should make an audio and video recording of the back-end operation interface of the virtual meeting platform.

9. An attending shareholder must complete and submit a speaker's slip before speaking at the shareholders' meeting, specifying their shareholder account number, account name, and the subject their speech. The order in which shareholders speak shall be determined by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. In the event of any discrepancies between the contents of the shareholder's speech and those recorded on the speaker's slip, the contents of the shareholder's speech shall prevail.

When an attending shareholder is speaking, no other shareholders may interrupt the speaking shareholder, unless permitted by the chair and the speaking shareholder; the chair may stop any violations.

A shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

The chair may stop the speaking of any shareholder that is in violation of the preceding paragraph or whose speech exceeds the scope of the proposal.

10. (Furnishing of documents such as attendance book)

The Company shall indicate on the meeting notice the sign-in time and place for shareholders, solicitors, and proxies (hereinafter collectively referred to as “shareholders”), and other related matters.

The time during which shareholders sign in will be accepted shall start at least 30 minutes before the commencement of the meeting. The place at which sign-ins are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the sign-in. For virtual shareholders meetings, shareholders may begin to sign in on the virtual meeting platform 30 minutes before the commencement of the meeting. Shareholders completing sign-in will be deemed as attending the shareholders’ meeting in person.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Where the government or a juristic person is a shareholder it may be represented by more than one representative at a shareholders’ meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

For meetings held via visual communication network, if shareholders intend to participate via visual communication network, they shall sign up with the Company 2 days before the shareholders’ meeting.

For meetings held via visual communication network, the shareholders' meeting handbook, annual reports, and other relevant documents shall be uploaded onto the virtual meeting platform at least 30 minutes prior to the commencement of the meeting and shall be kept disclosed until the meeting is adjourned.

10-1. (Matters to be stated in the meeting notice when convening a virtual shareholders’ meeting)

When the Company convenes shareholders’ meeting via visual communication network, the following matters shall be stated in the shareholders’ meeting notice:

- (1) Method of attending a shareholders’ meeting via visual communication network and exercising rights by the shareholders
- (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - i. The time to which the meeting is postponed or from which the

meeting will resume if the above obstruction continues and cannot be cleared, and the date to which the meeting is postponed or on which the meeting will resume.

- ii. Shareholders not having signed up to attend the affected virtual shareholders' meeting may not attend the postponed or resumed session.
- iii. In case of physical meetings assisted by visual communication network, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the meeting via visual communication network, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the meeting via visual communication network shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the meeting via visual communication network shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
- iv. Actions to be taken if the outcome of all proposals have been announced and extempore motions have not been carried out.

(3) For meetings held via visual communication network, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network.

11. When a juristic shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on the same proposal.

After an attending shareholder speaks at the meeting, the chair may answer either in person or through a designee.

When a shareholders' meeting is convened via visual communication network, attending shareholders may raise questions in writing on the virtual meeting platform after the meeting is called to order and before the meeting is adjourned. No more than 2 questions may be raised for each motion, and each question shall not exceed 200 characters, and shall not be subject to Article 9.

If the aforementioned questions do not violate the rules or exceed the scope of the agenda item, the questions should be disclosed on the virtual meeting platform for everyone's information.

12. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to have non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the

meeting in person. However, their rights with respect to the extemporaneous motions and amendments to scheduled proposals of that meeting are deemed to have been waived. Therefore, the Company should refrain from proposing extraordinary motions, or amendments to the scheduled proposals.

In case a shareholder elects to exercise their voting power in writing or by way of electronic means, their declaration of intention shall be served to the Company 2 days before the shareholders' meeting. If two or more declarations are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous declaration is made. In case a shareholder who has exercised their voting power in writing or by electronic means intends to attend the shareholders' meeting in person or via visual communication network, they shall serve a separate declaration of intention to rescind his previous declaration of intention made in exercising the voting power in the same manner previously used made in exercising the voting power under the preceding paragraph, 2 days before the shareholders' meeting. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by electronic means shall prevail. In case a shareholder has exercised their voting power in writing or by electronic means, and has also authorized a proxy to attend the shareholders' meeting on their behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

When the Company convenes a shareholders' meeting via visual communication network, after the meeting is called to order, shareholders attending the meeting via visual communication network shall cast votes on motions and elections on the virtual meeting platform before the chair announces the voting session closed or shall be deemed abstained from voting.

When the Company convenes a shareholders' meeting via visual communication network, after the chair announces the voting session closed, a single vote counting session shall be conducted and the results of the voting or election shall be announced.

For physical meetings assisted by visual communication network, if the shareholders, solicitors, or proxies who have signed up for attendance via visual communication network in accordance with Article 10 intend to attend the meeting in person, they shall rescind in the same manner as the sign-up process no later than 2 days before the shareholders' meeting. In the absence of a timely rescission, the shareholders, solicitors, or proxies may only attend the meetings via visual communication network.

Shareholders, solicitors, or proxies who are attending the meeting via visual communication network, and do not rescind their intention of exercising voting rights by correspondence or electronic means, except for extempore motions, shall not be able to exercise their voting rights on the scheduled motions, propose amendments to the scheduled motions, or exercise their voting rights on amended motions.

13. If there shall be an amendment or alternative to a motion, the chair shall determine their orders of the amendment, alternative, and scheduled motion for

resolution. When any motion among them is passed, the others will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a motion shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting motions or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting is completed, the results of the voting shall be announced on-site at the meeting, and a record made of the vote.

14. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, proposals shall be, one at a time, put to a vote by shareholders. On the same day the meeting is held, the numbers of votes for and against and the number of abstentions for each proposal shall be uploaded to the reporting website specified by the Financial Supervisory Commission

A shareholder shall have one voting power in respect of each share in their possession.

Pursuant to Article 177 Paragraph 2 of the Company Act, except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power they represent shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excess voting power shall not be counted.

15. During the meeting, the chair may announce a break, taking into consideration the time. Where proposals can not be resolved in a shareholders' meeting, the shareholders' meeting may make a resolution to reconvene the meeting within five days without notification or public announcement.
16. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by electronic means.

The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the reporting website specified by the Financial Supervisory Commission. The meeting minutes shall accurately record the year, month, day, meeting venue, the chair's full name, the methods by which resolutions were adopted, and a summary of the meeting proceeding, and the voting results (including the number of voting rights), and in case of director elections, the number of voting rights won by each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.

For meetings held via visual communication network, besides the records as

required in the preceding paragraph, the meeting minutes shall also include the starting and ending time of the meetings, convening method of the meetings, full names of the chair and minute-taker(s), and the handling methods and the handling process in case of disruption to the visual meeting platform or participation via visual communication network under the circumstances of force majeure.

When the Company convenes a shareholders' meeting via visual communication network, in addition to the aforementioned rules, the Company shall provide alternative measures to shareholders with difficulties in attending meetings via visual communication network.

17. The chair may instruct patrol personnel (or security personnel) to assist in maintaining the order at the meeting venue. Such patrol personnel (or security personnel) shall wear arm bands marked with "Security" while assisting in maintaining the order on site.

18. Announcement to the Public

The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting via correspondence or via visual communication network, and shall make an express disclosure at the meeting venue on the day of the meeting. For meetings held via visual communication network, the aforementioned documents shall be uploaded onto the virtual meeting platform at least 30 minutes prior to commencement of the meeting and shall be kept disclosed until the meeting is adjourned.

When the Company convenes a shareholders' meeting via visual communication network, the number of attending shares shall be disclosed on the virtual meeting platform when the meeting is called to order. The number of attending shares and voting rights recorded during the proceeding of the meeting shall also be disclosed.

If matters put to a resolution at a shareholders' meeting constitute material information identified by the laws and regulations, and Taiwan Stock Exchange Corporation (or the Taipei Exchange), the Company shall upload the content of such resolution to the reporting website specified by the Financial Supervisory Commission.

19. (Disclosures for meetings held via visual communication network)

For meetings held via visual communication network, the Company shall disclose the voting and election results on the virtual meeting platform immediately after the voting, and the results shall be kept disclosed for at least 15 minutes after the chair declares the meeting adjourned.

20. (Location of the chair and the minute taker(s) for meetings held via visual communication network)

When the Company convenes meetings via visual communication network, the chair and the minute taker(s) shall be situated at the same location, the chair shall announce the address of such location when the meeting is called to order.

21. (Handling of disconnection)

For meetings held via visual communication network, the Company may provide basic connection testing for shareholders prior to the meetings, and provide instant necessary services before or during the meetings to resolve any connection or technical issues.

For meetings held via visual communication network, when the meeting is called to order, the chair shall announce that, unless postponement or resumption of meetings are required in situations stipulated in Article 44-20 Paragraph 4 in the Regulations Governing the Administration of Shareholder Services of Public Companies, the new date for postponement or resumption of meetings that is within 5 days is not subject to Article 182 of the Company Act in circumstances where disruption to the virtual meeting platform or participation via visual communication network due to natural disasters, accidents or force majeure occurs and lasts for more than 30 minutes before the chair declares meeting adjourned.

In the event of the aforementioned postponement or resumption of meetings, shareholders not having signed up to attend the affected virtual shareholders' meeting may not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have signed up to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

In the postponed or resumed meetings mentioned in paragraph 2, a new deliberation, or resolution is not required for completed voting, vote counting, and proposals whose voting results or list of elected directors are announced.

In case of physical meetings assisted by visual communication network, when the virtual meeting cannot be continued due to a situation mentioned in paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the meeting via visual communication network, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption of meetings under paragraph 2 is required.

Under circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the meeting via visual communication network shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the meeting via visual communication network shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.

When the Company carries out a postponement or resumption of meetings in accordance with paragraph 2, the postponement or resumption of meetings shall be carried out pursuant to Article 44-20 Paragraph 7 of the Regulations

Governing the Administration of Shareholder Services of Public Companies. The Company shall conduct preliminary works in accordance with the original shareholders' meeting date and all rules and regulations.

Regarding the periods and dates stated in the later part of the Article 12, and Article 13 Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5 Paragraph 2, Article 44-15, Article 44-17 Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the postponement and resumption of meetings shall be conducted in accordance with paragraph 2.

22. (Handling of digital divide)

When the Company holds a shareholders' meeting via visual communication network, it shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network.

23. Any matters inadequately provided for herein shall be subject to provisions set forth in the Company's Articles of Incorporation, and relevant laws and regulations.

These Rules, and any amendments hereto, shall be implemented after adoption at shareholders' meetings.

Kian Shen Corporation

Articles of Incorporation

The Articles were enacted on April 26, 1963.

1st amendment was made on May 20, 1963.

2nd amendment was made on September 6, 1963.

3rd amendment was made on September 10, 1966.

4th amendment was made on May 4, 1970.

5th amendment was made on December 7, 1976.

6th amendment was made on June 7, 1978.

7th amendment was made on October 29, 1979.

8th amendment was made on November 1, 1980.

9th amendment was made on November 30, 1980.

10th amendment was made on December 24, 1980.

11th amendment was made on September 25, 1982.

12th amendment was made on March 3, 1984.

13th amendment was made on November 6, 1984.

14th amendment was made on February 5, 1986.

15th amendment was made on September 16, 1988.

16th amendment was made on November 22, 1989.

17th amendment was made on August 18, 1990.

18th amendment was made on November 6, 1991.

19th amendment was made on April 15, 1992.

20th amendment was made on May 22, 1993.

21st amendment was made on June 14, 1994.

22nd amendment was made on May 26, 1995.

23rd amendment was made on May 20, 1998.

24th amendment was made on July 13, 1998.

25th amendment was made on April 23, 1999.

26th amendment was made on June 3, 2000.

27th amendment was made on June 12, 2001.

28th amendment was made on June 20, 2002.

29th amendment was made on June 3, 2004.

30th amendment was made on June 2, 2005.

31st amendment was made on June 7, 2006.

32st amendment was made on June 13, 2007.

33rd amendment was made on June 16, 2009.

34th amendment was made on June 25, 2010.

35th amendment was made on June 18, 2012.

36th amendment was made on June 20, 2013.

37th amendment was made on June 19, 2014.

38th amendment was made on June 25, 2015.

39th amendment was made on June 22, 2016.

40th amendment was made on June 18, 2020.

41st amendment was made on June 21, 2022.

- Article 1: The Company is duly incorporated in accordance with the regulations regarding corporations in the Company Act and bears the title of Kian Shen Corporation.
- Article 2: The Company is engaged in the following business:
1. C501030 Manufacture of Veneer Sheets
 2. C501060 Manufacture of Wooden Containers
 3. C501990 Manufacture of other products of wood
 4. CA04010 Surface Treatments
 5. CD01020 Rail Vehicle and Parts Manufacturing
 6. CD01030 Motor Vehicles and Parts Manufacturing
 7. CD01040 Motorcycles and Parts Manufacturing
 8. CD01050 Bicycles and Parts Manufacturing
 9. CD01990 Other Transport Equipment and Parts Manufacturing
 10. CQ01010 Mold and Die Manufacturing
 11. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
 12. F401010 International Trade
 13. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3: The Company shall be headquartered in Taoyuan City, ROC, and shall be free, upon resolution of the Board of Directors to set up branches or offices at other locations within the territory of ROC or abroad.
- Article 4: (Deleted)
- Article 5: The total authorized capital of the Company is NT\$800 million which may be distributed as 80 million shares, with par value of NT\$10 each. For shares not yet issued, the Board of Directors is authorized to issue the shares in installments depending on actual needs.
- Article 6: The total amount of the Company's investment in other businesses is not subject to the restriction requiring that total investment not exceed 40 percent of its paid-in capital as provided in Article 13 of the Company Act.
- Article 7: The Company's shares shall all be name-bearing share certificates signed by at least 3 Directors affixed with seals thereof and shall be duly certified or authenticated before issuance thereof. The Company may issue the name-bearing shares without printing any share certificates, but such shares shall be registered with a central securities depository organization.
- Article 8: The rename for transfer of shares shall not be conducted within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.
- Article 9: There are two kinds of shareholders' meetings: the regular shareholders' meeting and the special shareholders' meeting. Regular shareholders' meetings are convened once a year within six months

after the close of each fiscal year. Special shareholders' meetings are called at any time when necessary.

When the Company holds a shareholders' meeting, such meeting can be held by means of visual communication network or other methods promulgated by the central competent authority in circumstances of force majeure.

Article 10: Shareholders who are unable to attend the shareholders' meeting in person may appoint a proxy to attend the meeting by providing a signed and sealed proxy form printed by the Company stating therein the scope of power authorized to the proxy.

Article 11: A shareholder shall be entitled to one vote for each share held, but this shall not apply to the shares under the circumstances specified in Article 179 of the Company Act.

Article 12: I. A resolution at a shareholders' meeting shall be adopted by a majority of the attending shareholders who represent two-thirds or more of the total number of its outstanding shares. Where stricter criteria require a higher number of shares represented by the attending shareholders or requires a higher number of votes at the shareholders' meeting as specified in the laws or regulations, such stricter criteria shall govern. The Company's shareholders may exercise their voting power by electronic means, and a shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person.

II. The following matters at a shareholders' meeting shall be resolved by more than two-thirds of the attending shareholders who represent two-thirds or more of the total number of its outstanding shares. Where stricter criteria require a higher number of shares represented by the attending shareholders or requires a higher number of votes at the shareholders' meeting as specified in the laws or regulations, such stricter criteria shall govern.

1. Modification or alteration in the Company's Articles of Incorporation;
2. Increase or decrease in the Company's capital through any method;
3. Issuance of new shares;
4. Transfer of the entire or any essential part of the Company's business;
5. Disposal of an essential part of the Company's property;
6. Matters related to distribution of retained earnings;
7. Issuance of corporate bonds; and
8. Other matters that shall be resolved in this manner pursuant to the laws and regulations.

Article 13: I. The Company has 9-12 directors. It adopts the nomination system and the shareholders shall elect directors from among the

candidates listed in the roster of director candidates. The total shareholding of all directors of the Company's shall be no less than a specified percentage of the Company's total name-bearing shares, with the percentage calculated pursuant to the regulations of the competent authorities.

- II. The Company's directors have a three-year term of office and may be re-elected after the term. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. When the number of vacancies in the board of directors of the Company is equal to or higher than one-third of the total number of directors, the board of directors shall call, within 60 days, a special shareholders' meeting to elect succeeding directors to fill the vacancies.
- III. Among the aforementioned seats of directors, there shall be seats for independent directors. There shall be no less than 3 independent directors, representing no less than one-fifth of the total number of directors. The Company adopts the nomination system and the shareholders shall elect independent directors from among the candidates listed in the roster of independent director candidates. Independent directors and non-independent directors shall be elected in the same election, but the number of independent directors and non-independent directors elected shall be calculated separately. The professional qualifications, restrictions on shareholding and concurrent positions, method of nomination and election, and other matters of compliance shall be subject to the related regulations of the authority in charge of securities.

- Article 14:
- I. The directors shall be organized into the Board. The Board shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman shall represent the Company externally.
 - II. A board meeting shall be held at least once every quarter. However, in case of any emergency, such meetings may be convened at any time. A board meeting may be convened by contacting directors in ways of written notice, e-mails or facsimile. A director may authorize another director to attend a board meeting exercise voting rights on all proposed motions at a meeting on their behalf. However, one director may only act on behalf of one other director.
 - III. A resolution at a board meeting shall be adopted by a majority of the attending directors who represent at least two-thirds of the total director seats. Where stricter criteria for the total number of attending directors or the required number of votes are specified in the laws or regulations, such stricter criteria shall govern.

- IV. The following matters shall be executed pursuant to a resolution at a board meeting:
1. Establishment and dissolution of branches;
 2. Approval for financing, providing guarantees, acceptance with a financial institution or third party, or any credit extension, or borrowings, at an amount between NT\$20 million to NT\$ 50 million (excluding) for each proposal, provided that proposals with an amount less than NT\$20 million (excluding) shall be reported at the most recent board meeting;
 3. Retaining or dismissal of a certified public accountant;
 4. Approval for capital expenditures, at an amount between NT\$20 million to NT\$ 50 million (excluding) for each proposal, provided that proposals with an amount less than NT\$20 million (excluding) shall be reported at the most recent board meeting;
 5. Approval for financing, providing guarantees, acceptance in the name of the Company shall be executed after passage by resolution at board meetings;
 6. Hiring and dismissal of employees at managerial level (including) or above;
 7. Investment in another company or transfer of shares at an amount no higher than NT\$ 50 million (excluding) for each proposal;
 8. Approval, amendment or termination of the obtaining, transfer, granting and technical cooperation contracts of special technology or patent right, at an amount no higher than NT\$ 10 million (excluding) for each proposal; and
 9. The Company shall purchase liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of office so as to reduce and diverse the risk of material harm to the Company and shareholders arising from the mistakes or negligence of a director.
- V. The following matters at a board meeting shall be resolved by more than two-thirds of the attending directors who represent two-thirds or more of the total seats of directors.
1. Proposal to amend the Company's Articles of Incorporation;
 2. Approval of annual budgets and review of annual financial statements, including review and supervision of the business plan execution;
 3. Investment in another company or transfer of shares at an amount higher than NT\$50 million (including) for each proposal;

4. Approval of disposal of all or essential part of the Company's property through pawning, sales, leasing out, pledging, use as collateral, or other methods.
However, this shall not apply to the following circumstances:
 - (1) The need for borrowing or financing an amount less than NT\$ 20 million (excluding);
 - (2) The need for borrowing or financing that has been approved by the board; and
 - (3) Leasing out of an essential part of the Company's property with leasing term no longer than 1 year.
5. Approval for financing, providing guarantees, acceptance with a financial institution or third party, or any credit extension, or borrowings, at an amount of NT\$ 50 million or higher for each proposal;
6. Approval for capital expenditures, at an amount higher than NT\$50 million (including) for each proposal;
7. Approval of significant transactions with related parties (including affiliates), with transaction price more than NT\$50 million (including) for each proposal or with transaction terms of one year.
8. Approval of major contracts or other material matters. Major contracts or other material matters, refers to those with a price more than NT\$50 million (including) or with transaction terms of more than 1 year;
9. Acquisition, transfer, and grant of intellectual property or patent right, and the approval, amendment or termination of technical cooperation contracts at an amount higher than NT\$10 million (including).

Article 15: In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the designation of a person acting on his behalf shall be conducted in accordance to Article 208 of the Company Act.

Article 16: The board of directors may receive remuneration, and the remuneration shall be based on industry standards. If the Company operates at a profit, remuneration shall be determined in accordance with Article 20.

Article 17: The Company may establish functional committees. The regulations governing the exercise of powers by the functional committees shall be formulated and they shall be enacted after approval by the board of directors.

Article 18: The Company may have a president and several vice presidents and managers. The appointment, discharge and the remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 19: The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year,

reports shall be prepared by the board of directors in accordance with Article 228 of the Company Act, and reported at the shareholders' meeting for approval.

Article 20: The Company's net income before tax before deduction of remuneration to employees and directors shall be distributed in accordance with the following:

(1) No higher than 1% as remuneration to directors; and

(2) No less than 0.1% as remuneration to employees.

However, when there are accumulated losses, the Company shall first set aside a portion of the profit to offset its accumulated losses, then distribute the profit in accordance with the preceding two items. The aforementioned employees' remuneration may be distributed in the form of shares or cash; however, the directors' remuneration may be distributed only in the form of cash. The employees' and directors' remuneration shall be reported at the shareholders' meetings.

When the Company operates at a profit, it shall first offset any accumulated losses, set aside 10% of the earning as legal reserve, and then allocate or reverse special reserve pursuant to relevant laws and regulations issued by the competent authority. The board of directors shall draft an earnings distribution proposal of dividends to shareholders regarding the remaining amount along with accumulated undistributed retained earnings and submit it to the shareholders' meeting for approval.

Considering the volatility of the Company's industry, the Company being at the maturity phase in its industry life cycle, future working capital needs, and long-term financial planning, the Company distributes no less than 20% of net profit after tax for the year as shareholders' dividends in forms of shares or cash, provided that cash dividends shall account for no less than 20% of total dividends.

Article 21: Any matters inadequately provided for herein shall be subject to provisions set forth in the Company Act.

Article 22: The Articles of Incorporation are amended on June 21, 2022 and enacted on July 1, 2022.

[Appendix 4]

Kian Shen Corporation

Regulations Governing the Election of Directors

Formulated on March 20, 1999.

Amended on March 9, 2006.

Amended on June 25, 2015.

Amended on July 29, 2021.

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 Unless otherwise required by laws, regulations, or the Company's Articles of Incorporation, the election of the Company's directors shall be conducted in accordance with these Regulations.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall take diversity into consideration and the Company shall formulate an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. The policy should include, but not limited to, the following two aspects:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skills, and competences to perform their duties. The board shall possess the following abilities as a whole:

1. Operating judgment ability;
2. Accounting and financial analysis ability;
3. Business management ability;
4. Crisis management ability;
5. Knowledge of the industry;
6. International market perspective;
7. Leadership ability; and
8. Decision-making ability.

The majority of the directors shall have neither a spousal relationship

nor a relationship within the second degree of kinship with any other director.

The board adjusts the composition of the board members based on the results of performance evaluation.

Article 4 The independent directors of the Company shall be equipped with the qualifications specified in Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall be in compliance with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.

Article 5 Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.

When the number of independent directors of the Company is lower than the requirement in Article 14-2, paragraph 1 of the Securities and Exchange Act, an independent director by-election shall be held at the next shareholders' meeting. When all independent directors are dismissed, the Company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date of the occurrence.

Article 6 The Company adopts the cumulative voting method for its director election. Each share has voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board shall prepare ballots in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be

distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used in lieu of names of voting shareholders.

Article 8 The voting rights are calculated separately for independent and non-independent directors in accordance with the number of seats specified in the Company's Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. If more than two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 The chair shall appoint a number of vote monitoring and counting personnel to perform the respective duties before the election begins. The vote monitoring personnel shall be shareholders of the Company. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 A ballot is deemed void if any of the following circumstances occur:

1. The ballot was not prepared by the persons with the right to convene the meeting.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The name of the candidate that is entered in the ballot does not conform to that in the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The votes shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on-site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and safely kept for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials involved shall be kept until the legal proceedings of the foregoing lawsuit have been

concluded.

Article 12 The board of the Company shall issue notifications to the persons elected as directors individually.

Article 13 These Regulations, and any amendments hereto, shall be implemented after adoption at shareholders' meetings.

[Appendix 5]

Comparison Table of the Before and After Amendments of the Rules of Procedure for Shareholder Meetings

Amended Articles	Existing Articles	Explanation
<p>Article 3 A shareholders meeting shall, unless otherwise provided for in other law or regulation, be convened by the Board of Directors. <u>Unless otherwise provided in these Rules of Procedure, if the Company wishes to convene a shareholders' meeting via visual communication network, it shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.</u></p>	<p>Article 3 A shareholders meeting shall, unless otherwise provided for in other law or regulation, be convened by the Board of Directors.</p>	<p>Added to protect shareholders' rights. As shareholders may only attend by means of communication network if the Company wish to hold a shareholders' meeting via visual communication network.</p>
<p>Article 10-1 3. For meetings held via visual communication network, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network. <u>Unless otherwise provided by Paragraph 6 Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with online equipment and other necessary assistance, and specify the period during which shareholders can apply therefor and other related matters.</u></p>	<p>Article 10-1 3. For meetings held via visual communication network, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network.</p>	<p>Added to specify the Company's obligation to provide less digitally savvy shareholders with alternatives for attending shareholders' meetings. As shareholders may only attend by means of communication network if the Company wishes to hold a shareholders' meeting via visual communication network.</p>

Amended Articles	Existing Articles	Explanation
<p>Article 22 When the Company holds a shareholders' meeting via visual communication network, it shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network. <u>Unless otherwise provided by Paragraph 6 Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with online equipment and other necessary assistance, and specify the period during which shareholders can apply therefor and other related matters.</u></p>	<p>Article 22 When the Company holds a shareholders' meeting via visual communication network, it shall provide appropriate alternative measures to shareholders with difficulties in attending meetings via visual communication network.</p>	<p>Same reason as Article 10-1.</p>